Iowa General Assembly

2007 Committee Briefings

Legislative Services Agency – Legal Services Division http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=208

LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES

Meeting Dates: December 19, 2007 | November 14, 2007 | October 17, 2007 | October 10, 2007 | September 27, 2007 | September 26, 2007 || September 19, 2007 | September 4, 2007 || August 15, 2007 | July 18, 2007 | June 20, 2007

Purpose. *This compilation of briefings on legislative interim committee meetings and other meetings and topics of interest to the Iowa General Assembly, written by the Legal Services Division staff of the nonpartisan Legislative Services Agency, describes committee activities or topics. The briefings were originally distributed in the Iowa Legislative Interim Calendar and Briefing. Official minutes, reports, and other detailed information concerning the committee or topic addressed by a briefing can be obtained from the committee's Internet page listed above, from the Iowa General Assembly's Internet page at http://www.legis.state.ia.us, or from the agency connected with the meeting or topic described.*

LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES

December 19, 2007

Co-chairperson: Senator Jack Hatch

Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, ch. 218 (H.F. 909, sections 99, 127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans and was authorized to hold nine meetings. The eighth meeting of the Commission was held at the Renaissance Savery Hotel in Des Moines, Iowa.

Motion. The Commission approved a motion to request that the Legislative Council approve an extension of the agreement with facilitator Mr. Bruce Feustel to include payment of his expenses to attend the ninth meeting of the Commission scheduled for January 8, 2008, in Des Moines, Iowa.

Health Data Research Advisory Council Report. Dr. James Merchant, Dean of the University of Iowa College of Public Health and chairperson of the advisory council, made a presentation about the importance of promoting healthy behavior to decrease costs and improve health. He specifically addressed the "big 3" personal behaviors that drive costs which are obesity and nutrition, tobacco use, and sedentary lifestyle, and suggested programs that can be included in health plans to address these issues. Recommendations were to develop a population-based health education and health promotion program led by the Department of Public Health (DPH) in partnership with all stakeholders and other Iowa public health leaders and a basic wellness-prevention medical services plan for all public and private insurance plans for Iowans; and that DPH and the Department of Human Services be charged to work with Iowa insurers, universities, employers, employee representatives, health care providers, and other stakeholders to develop specific evidence-based plans to meet the two wellness and health care priorities targeting small employers and uninsured families. Dr. Merchant also summarized the activities of the advisory council since June.

Dr. Pete Damiano, University of Iowa College of Public Health, distributed copies of a report entitled "Health Insurance Coverage of Children in Iowa", which contains the results of the Iowa Child and Family Household Health Survey which was conducted in 2005. He said that the survey is taken every five years and indicates that the number of uninsured children in Iowa decreased from 6 percent to 3 percent from 2000 to 2005. National trends indicate, however, that the number of uninsured children may be on the increase.

The Lewin Group. Mr. John Sheils, Senior Vice President of The Lewin Group, explained that The Lewin Group is a health care consultant with 20 years experience in performing comparative analyses of health reform proposals. He discussed how their health benefits simulation model might be employed to provide information to the Commission about their health reform proposals and shared information compiled for a Colorado health reform report.

Workforce Shortage Summit Report. Mr. Tom Newton, Director of DPH, presented "Health and Long-term Care Workforce Review and Recommendations", compiled from the results of a one day Health and Long-term Care Workforce Summit held on November 9, 2007, with health care providers from across the state. Mr. Newton emphasized that the shortage of health care workers is a looming crisis and that other health care reforms cannot occur without addressing these workforce issues.

Working Groups. Mr. Feustel explained that the work groups should work to make further changes to their group reports and to identify any remaining areas of disagreement to see if consensus could be reached.

Commission Discussion and Voting. Each work group presented its final report to the whole Commission. Separate motions to adopt each work group report, with changes noted, for inclusion in the Commission's final report were approved by record roll call votes of all commissioners present. A motion was defeated by record roll call vote to delete language in the Health Care Coverage Group Report which would allow the Iowa Health Care Coverage Exchange to determine an equitable administrative cost formula for insurers and to determine premiums by establishing rates to insure affordability under plans offered by the exchange. A motion to remove a goal in the Workforce Shortages Group Report to afford whistleblower protection to health care workers was also defeated by a record roll call vote. The draft reports distributed for consideration by the Commission are posted on the Commission's Internet page.

Next Meeting. The next meeting of the Commission is scheduled for January 8, 2008, in Room 103 of the State Capitol Building to vote on the Commission's final report to the General Assembly.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES
November 14, 2007

Co-chairperson: Senator Jack Hatch
Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, chapter 218 (H.F. 909, sections 99, 127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans and was authorized to hold eight meetings. The seventh meeting of the Commission was held at Northeast Iowa Community College, Town Clock Center, Dubuque, Iowa.

Motions. Co-chairperson Hatch explained three proposed motions. After discussion, the Commission approved the following motions: that the Commission request the Legislative Council to authorize the Legislative Services Agency to send up to three people to the Medical Home National Conference in Washington, D.C.; that the Commission request the Legislative Council to authorize the Commission to hold an additional meeting on January 8, 2008; and that the Commission request the Legislative Council to authorize the Legislative Services Agency to enter into a sole source contract with an entity for the purpose of modeling the Commission's proposals for health care coverage reform in Iowa to determine their feasibility and cost.

Charity Care in Iowa. Dr. Gary Rosenthal, University of Iowa College of Medicine, presented the findings of a study he undertook on behalf of the Health Data Research Advisory Council for the Commission that focused on the costs of care delivered to patients who are uninsured in three different hospital settings (inpatient, emergency room (ER), and ambulatory surgery), and that characterized the patient population that received such care. The purpose of the study was to assess the economic impact of reducing the amount of charity care delivered and "written off" by health care providers if more Iowans have health care coverage. He estimated the cost of care written off, as opposed to charges written off, by using Medicare hospital cost reports. In summary, from 2001-2006 uninsured patients accounted for 4 percent of all hospital admissions, 13 percent of ER visits, and 2 percent of ambulatory surgeries in Iowa; costs associated with uninsured patients represented 3 percent of acute hospitalization costs, 11 percent of ER costs, and 2 percent of ambulatory surgery costs in Iowa; and in aggregate charity care costs incurred by Iowa hospitals in treating uninsured patients amounted to $111 million in 2005 and $125 million in 2006.

Hospital Finance. Mr. Greg Boatenhammer, Iowa Hospital Association (IHA), spoke about hospital finance. He said that while all hospitals are required to charge everyone the same rates, no two payers pay the same rates; government payers pay below cost; commercial payers negotiate rates; and charity care and underpayment impact costs for everyone else. Charity care includes care that is delivered to an uninsured as well as an underinsured patient. Underpayment by government programs impacts quality of care, hospitals' abilities to attract and keep providers, and results in a cost shift to other payers. Hospitals must have an operating margin in order to access capital through bonding and to respond to emergencies. The IHA Pricepoint Program on its Website compares charges based on diagnosis-related groups (DRGs)

between hospitals and providers. The IHA also participates in the Iowa Healthcare Collaborative initiatives. Every hospital has its own cost/charge ratio for determining charges and that pricing has only a limited relationship to costs.

Lieutenant Governor's Commission on Wellness and Healthy Living. Lieutenant Governor Patty Judge spoke about the five-person Commission on Wellness and Healthy Living which she created in the Summer of 2007 to facilitate discussions at 10 town hall meetings around the state and which, as a result, recommended five steps toward a healthy Iowa: removing unhealthy foods in schools by providing healthier school lunches and vending machine selections; improving the health of Iowa's children by setting school physical activity requirements and encouraging student wellness, including well-child screenings; encouraging more Iowans to quit smoking by allowing communities to pass local smoke-free ordinances and by expanding smoking cessation programs; encouraging physical activity for seniors by working with the Department of Elder Affairs and the Department of Public Health (DPH) to expand physical activity programs for seniors; and promoting prevention efforts by encouraging Iowans to get regular screenings, including mental, dental, cancer, and other preventive measures, working with the DPH to assure access to such services, and creating a wellness Website where Iowans can learn about successful wellness efforts across the state, create their own personal wellness plans, and receive information about healthy eating, physical activity, and health screenings.

Health Care Quality. Dr. Tom Evans, Iowa Healthcare Collaborative (IHC), gave a presentation about IHC's efforts to ensure health care quality by promoting evidence-based process measures and metrics; defining and standardizing clinical performance metrics; using data to improve quality and value; making reliable information on quality and cost publicly available; promoting the rapid spread of best treatment practices; and engaging patients as partners. IHC is a statewide, provider-led foundation whose mission is to improve the quality, safety, and value of health care in Iowa. IHC is unique nationally in including both health care providers and hospitals. IHC's 2007 Annual Report details IHC's work involving public reporting; analysis of patient safety indicators, inpatient quality indicators, and pediatric quality indicators; and data from the Hospital Compare Website. IHC recommends the improvement of health care performance in three ways: quality, reducing variability in treatment; patient safety, creating a new culture; and value, improving efficiency through elimination of duplication, waste, and administrative burdens and through deployment of value improvement techniques in health care such as "Lean." Dr. Evans also suggested seriously addressing wellness and prevention, building trust among stakeholders, not mandating public reporting, and continuing to support the work of IHC.

Working Groups. Facilitator Bruce Feustel encouraged the commissioners to continue working in their small groups to refine the specifics of their recommendations and reports in each of the assigned subject areas for inclusion in the Commission's final report to the General Assembly. After the working group discussions, each group presented its report to the Commission as a whole. The reports of the work groups will be posted on the Commission's Internet Webpage when they are available.

Workforce Shortages Report. Commissioner Sarah Swisher gave a short report on the progress of DPH in preparing its study on health workforce shortages and the recent summit on health workforce shortages which was held on November 9, 2007, in Des Moines. The DPH will present its final report at the December Commission meeting.

Next Meeting. The next meeting of the Commission is scheduled for December 19, 2007, in Des Moines. Co-chairpersons Hatch and Foege asked that the working groups continue to refine their portions of the final Commission report and that each commissioner identify issues that are problematic for them or information that is still needed.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES
October 17, 2007

Co-chairperson: Senator Jack Hatch
Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, chapter 218 (H.F. 909, sections 99, 127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans and was authorized to hold eight meetings. The sixth meeting of the Commission was held at the Sioux City Convention Center in Sioux City, Iowa.

Iowa Rural Health Association Outlook on Health Survey. Dr. William Appelgate of Des Moines University presented selected findings of the Iowa Rural Health Association Outlook on Health Survey, which was released this month and is the first statewide survey to examine the health perceptions of Iowans, contrasting perceptions of rural versus urban residents. Dr. Appelgate said that the vast majority of Iowans report they are in good health, more say their health is improving rather than declining, most feel good even if they have a serious health problem or condition, most who are insured are satisfied with their current insurance coverage, and most agree on the importance of wellness and prevention and on taking individual responsibility for health behaviors in reducing health care costs. A copy of Dr. Appelgate's presentation is posted on the Commission's Internet Webpage.

Pharmaceutical Policy Report. Dr. Jane DeWitt, College of Pharmacy and Health Sciences, Drake University, presented a report which she and Dr. Bernard Sorofman, College of Pharmacy, The University of Iowa, prepared as part of their work on the Health Data Research Advisory Council. Dr. DeWitt summarized policy tools that might improve access to medications and medication-associated services and enhance health outcomes and reduce program costs. Dr. DeWitt explained that in order to take full advantage of medications' benefits, a patient must have access to both the medications and the knowledge on how to manage them. Dr. DeWitt stated that current costsaving measures used in Iowa's Medicaid Program include the preferred drug list, requiring prior authorization for some prescriptions, and generic substitution. She suggested that the Commission might consider utilizing the 340B Drug Pricing Program which allows covered entities to acquire certain drugs at a federal discount, state prescription assistance programs to facilitate access to free medications through the pharmaceutical industry, wellness and health prevention programs that incent medication-related activities such as immunizations and screenings, disease management by pharmacists, medication therapy management, and encouraging patients to have a pharmacy home where they receive all medication services at one location.

Working Groups — Health Care Concepts. The co-chairpersons assigned each Commission member to participate in a working group that would address one of the following health care concepts: Subgroup #1 — Workforce Shortages, Subgroup #2 — Electronic Medical Records, Subgroup #3 — Medical Home, Subgroup #4 — Health Care Coverage (formerly Individual Mandate), Subgroup #5 — Purchasing Pools for Meds - State Preferred Drug List, Subgroup #6 — Patient Rights, and Subgroup #7 — Funding. Each subgroup developed recommendations of goals, problems/real life examples, and action steps/strategies for their concept which were then presented to the Commission as a whole. A list of the recommendations made by each group will be posted on the Commission's Internet Webpage.

Next Meeting. The next meeting of the Commission is scheduled for Wednesday, November 14, 2007, at the Town Clock Center, Northeast Iowa Community College, in Dubuque, Iowa. Co-chairpersons Hatch and Foege asked that the working groups continue working on their own before the next Commission meeting and stated that commissioners who would like to work on a different group than they were assigned to should let the co-chairpersons and staff know.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES SPECIAL MEETING

October 10, 2007

Co-chairperson: Senator Jack Hatch

Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, chapter 218 (H.F. 909, sections 99, 127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans and was authorized to hold eight meetings. The fifth meeting of the Commission was held in Room 19 of the State Capitol in Des Moines, Iowa. The purpose of the meeting was to hear the reports and recommendations of former Governors Terry Branstad and Tom Vilsack resulting from a series of three public hearings which were held and co-hosted by the former Governors in September in Council Bluffs, Indianola, and Bettendorf.

Former Governor Branstad's Report and Recommendations. Former Governor Branstad noted that as the current President of Des Moines University he is particularly interested in health issues and how we educate future generations of providers, how we study and research health and prevention issues, and how we create effective personal programs and interventions that impact health behavior in a positive way. Former Governor Branstad stated that issues of health plans and health care must be addressed now for the following reasons:

- Iowa Medicaid and the IowaCare Program have grown to serve more individuals over the past five years and together are the fastest growing area of the state budget, impacting all other spending priorities.
- Health care costs are an issue affecting everyone: individuals, businesses, organized labor, and government as health care costs rise at rates exceeding income and as sickness impacts worker productivity.
- Health care is good in Iowa, but the health condition of Iowans deserves attention with promotion of better prevention and improved health status.
- Iowans believe in prevention and wellness but our health system focuses on "sick care" instead of "well care".

Former Governor Branstad then recommended five action themes for consideration by the Commission:

1. Move Toward Health Care Coverage for All Iowans. Develop a thoughtful approach with technical leadership and involvement by all stakeholders to expand coverage to more Iowans.

2. Restructure Health Plans. Iowa is recognized for its quality health care, but Iowans should demand that health plans shift their focus to supporting prevention and wellness. Iowa needs to address its ranking in the bottom half of the United States based on prevalence of cardiovascular disease, asthma, diabetes, cancer, and obesity and overweight conditions.

3. Focus on Chronic Conditions. The greatest costs in health care revolve around chronic disease, particularly in Iowa where there is a higher percentage of mature individuals. Iowa should embrace efforts to conduct health status and health risk assessments to educate its citizens about healthy behaviors, managing risks, and the availability of treatments.

4. Provide Incentives to Do the Right Thing. Good health behaviors should be encouraged, particularly in prevention and wellness initiatives, by coverage of prevention services with low or no copays and deductibles, reduction of premiums for healthy actions and behaviors, creation of healthy workplaces, and other incentives by employers and organized labor to encourage healthy behaviors. Iowa Medicaid needs to be as serious about prevention and wellness as it is about treatment of illness and communities need to promote prevention and wellness.

5. Quality, Patient Safety, and Transparency. Creation of a better health care climate in Iowa requires companion actions to aggressively promote quality, patient safety, and transparency. Information about Iowa health care providers' quality and patient safety performance, price, and other information is essential to achieve this. The General Assembly should consider adopting the Four Cornerstones of Value-driven Health Care espoused by the federal Department of Health and Human Services (interoperable health information, transparency of quality information, transparency of price information, and use of incentives to promote high-quality and cost-effective care); promoting the National Quality Forum Safe Practices to Support Patient Safety; and promoting transparency efforts like voluntary reporting on health care-associated infections being led by the Iowa Healthcare Collaborative.

Former Governor Vilsack's Report and Recommendations. Former Governor Vilsack thanked the General Assembly and the co-chairpersons, former Governor Branstad, Commission members, and staff for their work on such a complex and significant issue. Former Governor Vilsack particularly thanked all the Iowans who shared their stories at the public hearings and offered solutions. He cited Dr. John Kitzhaber, former Governor of Oregon and a medical doctor, who called for a clear vision and a focus comparing that vision with the contradictions in the current health system to create the tension that leads to change. Former Governor Vilsack stressed that there are moral, economic, and competitive reasons to reform Iowa's health care system. Former Governor Vilsack stated that the vision for such reform should encompass the following principles:

1. Be Patient and Consumer Centered. Use consumer purchasing alliances that put the consumer/patient in control and center on quality, including reporting requirements that define what quality is and where it can be found.

2. Focus on Prevention and Wellness. Provide incentives for the right health care behaviors and make an aggressive effort to encourage prevention and wellness through appropriate screening and tests, creation of medical and dental homes, especially for children, and the involvement of families, schools, and communities in prevention and wellness efforts.

3. Make Health Care Coverage Available to All. Universal coverage of all Iowans should be the goal. Iowa can move toward this goal by insuring all children, including an expansion of the IowaCare Program. Iowans should encourage national policymakers to commit to a national program of universal coverage and learn from the health care reform efforts of other states.

4. Health Care Coverage Should Be Fair to All. Recognize that people of color in Iowa do not receive the same care that whites do. Health care must be universal in coverage and quality of care. Dental coverage is important.

5. Provide the Right Care at the Right Time at the Right Place. Iowa's goal should be to be number one in the country for health care. Encourage electronic recordkeeping to create a seamless system that can yield data to determine what treatments work. Focus on payment for performance not fee-for-service to achieve higher patient satisfaction, better results, and cost savings.

Next Meeting. The next regular meeting of the Commission is scheduled for Wednesday, October 17, 2007, at 9:00 a.m. at the Sioux City Convention Center.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES PUBLIC HEARING

September 27, 2007

Co-chairperson: Senator Jack Hatch

Co-chairperson: Representative Ro Foege

Public Hearing Background. As part of the deliberations of the Legislative Commission on Affordable Health Care Plans

for Small Businesses and Families, the Legislative Council approved the holding of three public hearings. The last of three public hearings was held September 27, 2007.

Bettendorf Public Hearing. The hearing was held at the Mississippi Bend Area Education Agency in Bettendorf. Former Governor Terry Branstad and Co-chairperson Foege hosted this final hearing. Also present were Dr. David Carlyle; Ms. Susan Salter; Senators Joe Bolkom, Roger Stewart and Joe Seng; and Representatives Cindy Winckler, Linda Miller, and Elesha Gayman.

Local Initiative. Ms. Amy Thoreson, Scott County Health Department, discussed an ongoing health care initiative to meet the needs of the elderly. The initiative focused on three areas: transportation needs, medication administration, and independence, plus a developing program to prevent falls by the elderly.

Themes. Twenty persons testified. Themes expressed included:

- **Health Care Reform.** Reform should be based on the following principles: do no harm; affordable access; avoid nationwide models, one size does not fit all; act in concert with neighboring states; emphasize the value of the system to the public; and provide listening posts to get public input.
- **Dental Care.** Reimbursement to dentists under the Medicaid program is insufficient. The problem will become more severe as more dentists are retiring than are entering the profession. Dental services are essential to prevent a variety of health problems. The I-Smile Program should be expanded and reimbursed similar to the hawk-i Program.
- **Medicaid Reimbursement.** A consistent theme among service providers is that Medicaid reimbursement is insufficient.
- **Home Care.** One presenter emphasized that home care is the solution, providing cost-effective service and delaying or avoiding nursing home care. Home care service providers are carefully screened and provide excellent service. Low pay and the lack of insurance result in a rapid turnover of these service providers. Only about 25 percent have health insurance.
- **Physician Care.** Low reimbursement rates discourage physicians from locating in Iowa. Often new physicians have over $150,000 in loans; this burden discourages them from going into primary health care, when they can make more money in a specialized area. Tort reform would help by capping noneconomic damages.
- **Child Health Care.** A child's healthy development requires adequate health care. Such care can prevent future, more serious problems. A model must be developed to ensure coverage for all children.
- **Lifestyle Choices.** A recurring theme was the impact of lifestyle choices on health costs. To reduce tobacco use the tax should be raised and the prohibition against local control should be eliminated.
- **Pharmacy.** The pharmacist is a health care professional who can provide great assistance to patients in the area of medication management and consultation. The drug industry discourages and actually interferes with the marketing of lower-cost generic medications.
- **Chronic Disease.** Addressing chronic disease is important in improving the health care system.
- **Prosthetic Devices.** Reimbursement for prosthetic devices is capped at a low level, imposing a large out-of-pocket expense on the amputee. Senate File 508, if passed, would eliminate this cap.

More Information. More information about the Commission and the public hearings may be found at http://www.legis.state.ia.us.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES PUBLIC HEARING

September 26, 2007

Co-chairperson: Senator Jack Hatch
Co-chairperson: Representative Ro Foege

Public Hearing Background. As part of the deliberations of the Legislative Commission on Affordable Health Care Plans for Small Businesses and Families, the Legislative Council approved the holding of three public hearings, scheduled on September 4, 2007, in Council Bluffs; September 26, 2007, in Indianola; and September 27, 2007, in Bettendorf. Former Governors Terry Branstad and Thomas Vilsack are co-hosting the public hearings.

Indianola Public Hearing. The second public hearing was held on September 26, 2007, at Simpson College in Indianola. Former Governors Branstad and Vilsack were present to co-host the public hearing. Also present were Commission Co-chairpersons Hatch and Foege; Commission members Dr. David Carlyle, Dr. Steven Fuller, Ms. Julie Kuhle, Ms. Janice Laue, Ms. Patsy Shors, Mr. Joe Teeling, and Ms. Susan Voss; and local state Senator Staci Appel.

Local Initiatives. Each of the public hearings will begin with testimony by representatives of local initiatives to improve health care.

Dr. Alan Koslow, President, American Diabetes Association of Central Iowa, presented information gathered at a Shaping

America's Youth forum, held in Des Moines on August 25, 2007. At the forum the top three initiatives supported by 75 percent of the attendees for stakeholder actions related to educators and schools: 150 minutes per week of physical education, i.e., actual physical exercise in grades K-12; healthy lunches with no fast food; and nutrition education through all grades. Related legislation was introduced in the 2007 Legislative Session regarding healthy food in schools, foods offered in school vending machines, and the farm-to-school bill which encourages and promotes the purchase of locally and regionally produced or processed food in order to improve child nutrition and strengthen local and regional farm economies, the latter of which was enacted.

Ms. Kim Carson from the Healthy Village Wrap-around Project, presented information about the project that targets childhood obesity through a comprehensive, holistic approach that involves physical, mental, emotional, and cognitive aspects in the northeast region of the Des Moines Public School District for the 2008-2009 school year. The project involves the schools, the family, and the community by promoting positive self-image and healthy lifestyle, physical activity, and behavior modification skill training while maintaining a positive peer culture. The project will establish an evidence-based model that demonstrates best practice methodology in the areas of physical, social, emotional, and cognitive change and can be replicated throughout the state and the nation.

Themes. Approximately 30 persons testified. Themes expressed included:

- **Home Care/Respite Care/Direct Care Workers.** Home care is preferred by consumers, is readily accessible, is cost effective, and is being delivered to an increasing number of Iowans as the population ages. However, an increasing number of these services are uncompensated due to a new Medicaid reimbursement formula and funding shortfalls. Home care provides persons with disabilities with the opportunity to live independently and accomplish life goals. There is sufficient funding in the health care system, but it should be realigned to provide more cost-effective care and allow individuals to remain in their homes. The rules for hospice could be rewritten to allow for a period of one year rather than six months as a basis to determine if a person is terminally ill. Respite care is critical for families caring for family members with chronic and terminal illnesses, such as ALS. Direct care workers often do not have health care coverage. Direct care workers and all other Iowans should have access to coverage.
- **Preexisting Conditions and Debt.** The issue of preexisting conditions should be reviewed, as they often make coverage unavailable or unaffordable. Those with health care debt are sometimes denied care due to the debt.
- **Medical Home/Primary Care.** The medical home should be used to provide access to affordable and timely health care. Primary care should be emphasized and should be used as the gatekeeper instead of the emergency room. High debt loads and lower reimbursement often deter new practitioners from practicing primary care, so incentives are needed.
- **Medically Fragile Children.** Premature babies, babies born with birth defects, and children injured in accidents are being saved today with advances in technology. This presents life-long medical challenges. Hospitals are concerned that they may become the care facility for these children and lose needed acute care beds. Both the public and private portions of the health care system need to be reformed.
- **Christian Science.** Medical care is only one form of available health care. Another form is religious nonmedical health care. Successful health care reform should take into account the needs and preferred choices of the entire community. Religious nonmedical care is frequently included as a covered benefit under public and private health insurance arrangements.
- **Public Health Structure.** An infrastructure exists as a basis for providing a health wellness system. The public health system provides health care throughout the life spectrum. Health care is provided at the local level through funding that is passed down from the federal and state governments. However, funding has been reduced in recent years. This structure can be instrumental in shifting to a health care wellness system.
- **Worksite Wellness.** Worksite wellness programs reduce health care costs, reduce short-term sick leave, and increase productivity. Lighten Up Iowa began through the efforts of former Governors Robert Ray and Terry Branstad to address the obesity problem and encourage healthy lifestyles through competition, using the Iowa Games model. The program provides website tracking for businesses and also provides community grants to support programs. Providing incentives works well. School programs are also important in encouraging youth to increase their physical activity and make better food choices. School children need to be active to learn—canceling recess and PE classes to meet No Child Left Behind requirements is not beneficial to children.
- **Catholic Church Priorities.** Access to affordable health care has long been a priority of the Catholic Church. The Catholic Church will use five criteria to evaluate any health care reform: respect for life, priority concern for the poor, universal access, comprehensive benefits, and pluralism. Also, reform should promote quality in the system, control of costs, and equitable financing based on ability to pay. The system should promote preventive care and utilize face-to-face interaction in managing chronic conditions and include mental health services.
- **Transparency.** Wellness and health promotion are important, quality costs less, and health care transparency will help create needed change. Transparency consists of comparative public reporting of health care provider performance on quality, patient safety, and price/cost. Many efforts include the Leapfrog Group measures. Specific action items should be included in the Commission's final report to address improving quality and eliminating waste to sustain current

coverage and to expand coverage in Iowa. Additionally, reform should include transparency and public reporting, including the measures endorsed by the National Quality Forum—the Leapfrog Group Patient Safety Measures and their policy on Never Events.

- **Affordability.** In order for health care to be accessible to all, the issue of affordability must be addressed. Iowa has one of the lowest percentages of uninsured, and also has some of the lowest insurance rates. Much of health care reform must be addressed at the national level, but the state can address areas such as wellness by providing incentives to engage the unhealthy and by providing for the exchange of personal health information. The state should also look into reinsurance.
- **Existing Program Improvement.** The rules for HIPIOWA should be changed to remove the sixth-month waiting period for eligibility. Eligibility for adults, including income guidelines under Medicaid, should be revisited. Costs for health care services are more expensive for those who have the least ability to pay and are self-pay. There is inefficiency in the Medicaid system that should be addressed.
- **Dental Services.** The provision of dental services is a major step in prevention of disease and would reduce the state's financial outlay for dental care and health care in the long term. The I-Smile Program would provide dental services to 170,000 children under the Medicaid program and also provide counseling to parents in taking care of their children's teeth. One of the biggest problems for adults is also dental health because poor dental health can result in infection and other health issues. A dental health voucher program for adults could be implemented.
- **IowaCare and Broadlawns.** The IowaCare Program at Broadlawns Medical Center in Des Moines provides a model for the medical home concept. Broadlawns is already providing for transparency regarding quality of care. Broadlawns recently added a pediatrician and immunization rates of children are now 99.5 percent. Broadlawns provides dental sealants to one-year-olds and provides vouchers for food purchases at the farmers market. Broadlawns is also a WIC provider. Broadlawns is concerned about the workforce shortage, the pending federal legislation to reduce graduate medical education funding, and the imminent lapse of the National Service Corps if federal legislation is not proposed to reinstate the program. There is also the issue of inadequate reimbursement under the Medicare and Medicaid programs. A major workforce shortage exists in the area of psychiatry.
- **Restructuring of Priorities.** Many consumers are lucky to pay very little out of pocket for health care services. Yet, if billions of dollars can be spent for the war in Iraq, assistance should be provided to help a mother who cannot afford medicine for her child.
- **Pharmaceuticals.** Use of generic drugs should be more widespread since only about seven percent of individuals have contraindications for the generic.
- **Continuing Medical Education (CME).** CME should be structured for the specialty and should focus on what is new and necessary for a specialty in a manner similar to elder/child abuse training. Practitioners should be tested on what they have learned before they can be relicensed. In Wisconsin the practitioners have to demonstrate that they are implementing the newest practices into their own practice.
- **Recommendations from AFSCME.** Health care plans should be more flexible to cover medically necessary procedures that are often viewed as elective, such as gastric bypass surgery. Changing formularies should be limited. Workers should be allowed to select their own doctor in determining workers' compensation claims. Any single payor plan should be similar to Medicare.
- **Pharmacists.** Pharmacists provide a valuable service. Some examples include diabetes education, collaboration with physicians, insulin pump training, smoking cessation, medication therapy management which is only currently reimbursed under Medicaid and Medicare Part D, and vaccination programs. Pharmacists often do rounds with doctors in hospitals to provide the collaborative approach.
- **Wellness and Chronic Care Management.** The health care system should be reoriented to support wellness and preventive measures. Individuals need to take responsibility for their own health; employers can help employees by providing education, screenings, and by working to ensure that benefit plans encourage proper health management and recognize the importance of prevention and wellness; and government, through public policy, should provide incentives, such as tax credits, for employers to implement wellness programs.
- **Racial Disparity.** Health reform should take into consideration the racial disparities in health outcomes.
- **Telemedicine.** Telemedicine should be expanded and reimbursed.

Next Public Hearing. The next public hearing will be held on September 27, 2007, at the Mississippi Bend Area Education Agency, Bettendorf, Iowa.

More information. More information about the Commission and the public hearings may be found at http://www.legis.state.ia.us.

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Internet Page: http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=208

LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES

September 19, 2007

Co-chairperson: Senator Jack Hatch

Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, chapter 218 (H.F. 909, § 99, 127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans and was authorized to hold seven meetings. The fourth meeting of the Commission was held at University of Iowa Hospitals and Clinics in Iowa City, Iowa.

Iowa Hospital Association Representative. A motion was approved requesting that the Legislative Council approve the appointment of Mr. Jay Christensen to the Commission as the representative of the Iowa Hospital Association to replace Ms. Kimberly Russel, who resigned.

Public Hearings Update. Co-chairpersons Hatch and Foege reported that they attended the first of three public hearings on health care moderated by former Governors Tom Vilsack and Terry Branstad that was held on September 4, 2007, at Iowa Western Community College in Council Bluffs. Commissioners John Aschenbrenner, Dr. David Carlyle, and Sharon Treinen also attended the hearing. The Commissioners were reminded that public hearings are scheduled for 6:00-8:00 p.m. on Wednesday, September 26, 2007, at Simpson College in Indianola, and on Thursday, September 27, 2007, at Mississippi Bend Area Education Agency in Bettendorf.

Special Health Commission Meeting. Co-chairperson Foege announced that a special meeting of the Commission will be held on Wednesday, October 10, 2007, from 2:00-3:30 p.m. in Room 19 of the State Capitol to allow former Governors Branstad and Vilsack to provide a summary of the public hearings and their recommendations to the Commission. Commission members may participate in person, by ICN, or by conference call. The meeting will also be recorded.

Long-term Care Insurance Report. Ms. Susan Voss, Commissioner of Insurance and ex officio member of the Commission, announced that the report of the Iowa Insurance Division on long-term care insurance was presented to Governor Chet Culver on September 17, 2007. Commissioners were provided with an executive summary of the report. A more complete version of the report is posted on the Commission's Internet website.

Electronic Medical Records Task Force Meeting. Representative Linda Upmeyer reported that the Electronic Medical Records Task Force is meeting on October 1, 2007, and that Commission members are invited to attend. She noted that there is a great deal of interest in banking health records, but the task force's deliberations are still in the conceptual stage.

Listening Posts. Senator Joe Bolkcom reported on a series of 16 listening posts being held around the state cosponsored by "Working Families Win", "Iowa for Health Care", and the Iowa Citizen Action Network. Senator Bolkcom stated that themes and interests are emerging concerning wellness/prevention, incentives, a smoking ban in restaurants, the unaffordability of insurance, low Medicaid and Medicare reimbursements to providers, lack of control over insurers, inappropriate use of emergency rooms, insurance pooling by small employers, creating a single payer system like Medicare, and the need for more health care providers.

2007 Iowa Employer Benefits Study. Mr. David P. Lind of David P. Lind & Associates, L.L.C. presented the results of their ninth annual Iowa Employer Benefits Study which was released earlier this month. The study compares benefits provided by Iowa employers to those in other states and focuses on trends from 2000-2007. Trends include some alleviation of the amount of health insurance rate increases, shifting rate increase costs to employees through plan design changes like increased deductibles and out-of-pocket maximums instead of increased payroll deductions, including health and wellness initiatives, and combining high-deductible plans with health reimbursement accounts (HRAs) and health savings accounts (HSAs).

Preventative Health Hostel Concept. Ms. Therese Murphy, a registered nurse from Dubuque, presented the concept of creating preventative health hostels. She explained that the primary objective of the health hostel concept is to increase consumer accessibility to routine preventative diagnostic testing and health education and wellness programs at one site on a scheduled or walk-in basis as part of a health maintenance program in a managed care environment. Ms. Murphy noted that the use of nonphysician health professionals to deliver the services would reduce costs and allow physicians to focus on diagnosis and treatment of disease.

ERISA. Mr. Jay Sushelsky, senior attorney for the American Association of Retired Persons (AARP) Foundation Litigation Department, explained how the federal Employee Retirement Income Security Act of 1974 (ERISA), as amended, impacts state health care reform efforts. The ERISA preemption occurs when states attempt to enact laws and initiatives that collide with ERISA and the federal law prevails and prevents states from regulating employee health benefit plans. He suggested that state lawmakers should regard ERISA as a hurdle, not a roadblock, to their health care reform efforts. States can regulate insurance but generally cannot impose requirements on plans, deal with plan structure or administration, or provide for alternate enforcement mechanisms.

Health Data Research Advisory Council Report. Dr. James Merchant, Dean of the University of Iowa College of Public Health, presented commissioners with a summary of the "Rebalancing Health Care in the Heartland" forum held on June 19, 2007.

Dr. Pete Damiano, Director of the University of Iowa Public Policy Center, presented answers to some of the questions posed by commissioners in their workgroups during their August meeting concerning frustrations with the health care system, the costs of care in Iowa, the cost of a state-supported expansion of insurance coverage, and the issue of dental insurance and a dental home for Iowa's children. Dr. Damiano stated that health care is fragmented and is not really a system. He discussed medical homes and the use of electronic medical records as possible solutions. Dr. Damiano presented health care cost information for Iowa and the nation currently and the cost to the state of expanding health care coverage to more children and their parents, as well as subsidizing employer-based insurance options. He also discussed Iowa's dentally uninsured children and the recently enacted I-Smile Program.

Children's Health—A National Perspective. Ms. Jody Ruskamp-Hatz, a senior policy specialist with the National Conference of State Legislatures (NCSL), presented a summary of other state strategies to insure more children, including increases in Medicaid/State Children's Health Insurance Program (SCHIP) eligibility; allowing children at higher incomes to purchase coverage in public programs; providing premium assistance for employer-based insurance; and increasing enrollment of eligible children by enhanced outreach, simplified administration, and coordination. Most states have increased coverage of children by expansions of Medicaid/SCHIP. The deadline for reauthorization of SCHIP by Congress is September 30, 2007, and is being debated now. Ms. Ruskamp-Hatz provided a comparison of proposed House and Senate versions of the reauthorization.

Health Care Costs and Spending: Latest State Strategies. Mr. Richard Cauchi, Director, Health Program, NCSL - Denver, discussed national health expenditures and sources of payment, cost drivers, types of coverage, and what constitutes affordable insurance. Mr. Cauchi outlined strategies being considered or used to moderate health care costs in various states. Cost solutions are usually paired with any coverage expansion; premium affordability is a core feature or goal in most state activity this year; public-private partnerships are embraced in most states; the role of and impact on small business is important; political successes are most likely when all stakeholders participate and there is bipartisan support; and economic successes can be measured in different ways and it is still too early to judge.

Health Reform in the States. Ms. Laura Tobler, Program Manager - Health Program, NCSL, summarized recent health reform actions and proposals in other states. She discussed various reform efforts that concentrate on reducing the number of uninsured; quality initiatives; appropriate care for chronic disease; and prevention and wellness initiatives, all within the context of cost containment. Ms. Tobler also discussed the problem of providing sufficient access to health care.

Working Groups—Focused Discussions. Commission facilitator Mr. Bruce Feustel, a Senior Fellow in the Legislative Management Program of NCSL, assigned each Commission member to participate in a working group that would address one of the following topics: providing funding/containing costs, and improving quality of coverage—expanding coverage/enhancing access to care/promoting prevention and wellness. Mr. Feustel directed the working groups to utilize NCSL experts to explore what programs or initiatives from other states might be utilized in Iowa with the goal of beginning to develop the working group's recommendations for what should be included in the Commission's proposed legislative package. He suggested that the groups discuss what they want to implement and what it will take/cost to implement. Each group then presented its conclusions to the full Commission.

Public Hearings and October Meetings. The co-chairs encouraged Commission members to attend one or both of the remaining public hearings. A special meeting of the Commission is scheduled for Wednesday, October 10, 2007, at 2:00 p.m. in Room 19 of the State Capitol. The next regular meeting of the Commission is scheduled for Wednesday, October 17, 2007, in Sioux City, Iowa. Co-chairpersons Hatch and Foege indicated that they will review the working groups' recommendations for further study and ask Commission members to work together in small groups on assigned topics in preparation for the Commission's next regular meeting.

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Internet Page: http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=208

LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES PUBLIC HEARING

September 4, 2007

Co-chairperson: Senator Jack Hatch
Co-chairperson: Representative Ro Foege

Public Hearing Background. As part of the deliberations of the Legislative Commission on Affordable Health Care Plans for Small Businesses and Families, the Legislative Council approved the holding of three public hearings. The public

hearing schedule is September 4, 2007, in Council Bluffs; September 26, 2007, in Indianola; and September 27, 2007, in Bettendorf. Former Governors Terry Branstad and Thomas Vilsack are co-hosting the public hearings.

Council Bluffs Public Hearing. The first public hearing was held on September 4, 2007, at Looft Hall Auditorium, Iowa Western Community College, Council Bluffs. Former Governors Branstad and Vilsack were present to co-host the public hearing. Also present were Commission Co-chairpersons Hatch and Foege; Commission members Ms. Sharon Treinen, Mr. David Carlyle, M.D., and Mr. John Aschenbrenner; members of the General Assembly Senator Mike Gronstal and Representatives Rich Anderson, Greg Forristall, and Doug Struyk; and Mr. John Hedgecoth representing the Governor's Office.

Local Initiative. Each of the public hearings will begin with testimony by a representative of a local initiative to improve health care. Ms. Marie Knedler, Alegent Health, provided an overview of the health care initiatives utilized by Alegent Health to impact the quality of health care. Alegent Health is the largest not-for-profit, faith-based health care system in Nebraska and southwestern Iowa. The initiatives focus on a commitment to quality and patient-focused care.

Themes. Fifteen persons testified. Themes expressed included:

- **Oral Health.** Reimbursement to dentists under the Medicaid program is insufficient to encourage new dentists to participate and to retain those currently participating. The average age of dentists in Iowa is 55 and there should be financial incentives to encourage individuals to choose oral health as a profession. Periodontal services are important to overall health. Programs such as I-Smile, water fluoridation, school-based sealants, and making dental coverage affordable are all important aspects in making oral health services available. Mobile health clinics could be utilized more to provide care.
- **Home Care.** Home care is the preferred choice of consumers, provides access to care in a person's own home, is cost effective, is more in demand as the population ages, and should be prioritized by lawmakers.
- **Young People.** All children should have accessible health care by strengthening both public and private coverage and by ensuring provision of primary, preventive, and developmental health services. Current public programs such as Medicaid and hawk-i could be used to cover more children and adults. A child health insurance coverage system should provide for a medical home; address oral, mental, and social health; and be based on evidence of effective pediatric practice. Those age 18-24 have the highest uninsurance rate in the state and strategies to cover this population should be developed.
- **Direct Care Workers.** Many direct care workers are uninsured. The lack of health care coverage leads to many leaving the profession. The lack of health care coverage of direct care workers leads to lack of consistency in the direct care worker workforce and has a negative impact on the quality of care provided to Iowans.
- **Purchasing Practices.** Purchasers of health care can organize to improve the quality and reduce the cost of health care. Costs must be contained and there must be transparency and public reporting regarding quality and cost. Best practices should be created.
- **Massachusetts Approach.** The health care system is broken. The individual mandate, employer contributions of a fair share, and the free rider surcharge in the Massachusetts' system could result in employers dropping employees from health care coverage or not offering coverage, antiemployee attitudes and negative hiring practices, and could also result in the employer coverage system collapsing with a shift of costs to taxpayers and consumers. Iowa should learn not only from the successes of other states, but from their mistakes.
- **Pharmacy.** Having a pharmacist in a doctor's office is a means of providing a medical home. Mail-order pharmaceuticals is not a means of improving quality of care; price alone does not assure high-quality pharmaceutical care. Pharmaceutical case management provides value and providing pharmaceutical services at the location of the medical home is very valuable. Consideration should be given to incentives for pharmacists to collaborate with physicians. The Medicare Part D "donut hole" presents problems for seniors.
- **Chronic Disease.** Addressing chronic disease is important in improving the health care system. However, the state should be best in class not only in chronic disease prevention and management but in all categories.
- **Child Care.** Child care providers need affordable health insurance with good coverage that includes preventive health care coverage. Child care providers are in constant contact with children and also are important to the economy by providing care to the two-adult working families of the state. If affordable health care is made available to child care providers as an insurable group, more child care providers might become registered providers.
- **Possible Improvements.** The health care system could be improved by reducing the bureaucracy. Alternative healing arts providers, such as physical therapists, are often paid less but provide the most healing. The free market forces should be allowed to work in the health care system. Consumers must be educated about health care and allowed choices, including access to an array of health care professionals.
- **Best Practices.** We should look at best practices models and improve the quality of care. There are ways to be more efficient and effective.
- **Consumer Choice.** Health care funding should be in the hands of consumers. Consumers should be given incentives

to make good choices. The focus should be on prevention.

- **Information.** There should be more transparency in the system to allow consumers to make informed decisions.
- **Assessments.** Health risk assessments are helpful in reducing the size of the increase in health care expenditures.
- **U.S. Status.** The United States is lowest on the quality of life, life expectancy index.
- **Finance Focus.** The issue is not just fixing the health care system, but fixing the financing of the system.

Next Public Hearing. The next public hearing will be held on September 26, 2007, at Lekberg Hall, Amy Robertson Music Center, North Buxton Street, Simpson College, Indianola, Iowa.

More Information. More information about the Commission and the public hearings may be found at http://www.legis.state.ia.us.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES

August 15, 2007

Co-chairperson: Senator Jack Hatch

Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, chapter 218 (H.F. 909, sections 99,127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans and authorized to hold seven meetings. The third meeting of the Commission was held at Music Man Square, Reunion Hall, in Mason City, Iowa.

Public Hearings Update. Co-chairpersons Hatch and Foege provided an update on three public hearings on health care moderated by former Governors Tom Vilsack and Terry Branstad that will be held on September 4, 2007, at Iowa Western Community College in Council Bluffs; on September 26, 2007, in Indianola; and on September 27, 2007, at Mississippi Bend Area Education Agency in Bettendorf. Ms. Patty Funaro, Legislative Services Agency (LSA) reported that participants at each hearing will be asked to sign up to speak starting at 5:30 p.m on the day of the hearing. The proposed format for the hearings will include a welcome from local legislators, brief comments from the governors, possibly a brief presentation of local health care successes, public comments, and a summarization of the evening and closing comments by the governors. A press release about the public hearings was issued on August 14, 2007.

Motions Approved. The Commission approved a motion to accept the resignation of Ms. Kimberly Russel, as the Iowa Hospital Association representative to the Commission. The Commission also approved a motion requesting that the Legislative Council change the status of ex officio member Dr. Steven Fuller, Iowa Dental Association representative to the Commission, to that of a voting member.

Data Collection. Ms. Ann Ver Heul, LSA, reported that several members of the Commission have responded to the request of the Co-chairpersons to provide data which might be helpful to the Commission. A list of data collection responses received so far was distributed to the Commission. Ms. Ver Heul also reported that the Commission health care blog is now operational and is located on the legislative internet page under the heading of the Commission. She said that the blog has already received and published several responses to the question "What do you like or not like about Iowa's health care system or plans?".

Health and Long-term Care Workforce Review Proposal and Motion. Mr. Tom Newton, Director of Public Health and a member of the Commission, introduced Ms. Julie McMahon, Director of the Iowa Department of Public Health's Division of Health Promotion and Chronic Disease Prevention, to present the Department's proposal to conduct a comprehensive review of Iowa's health and long-term-care workforce pursuant to the directives contained in 2007 Iowa Acts, chapter 218 (H.F. 909, section 110) at a cost of $30,000. The review will describe the current health and long-term-care workforce and raise public awareness of the impending health workforce shortage and include a one day summit to look at possible solutions and strategies. The resulting findings and recommendations will be provided in a report to the General Assembly by January 15, 2008.

The Commission approved a motion requesting that the Legislative Council approve the proposal as presented, with the additional requirement that DPH prepare a preliminary report for the Commission's use at its October 17th meeting.

Iowa Caregivers Association. Co-chairpersons Hatch and Foege distributed copies of a DVD entitled " Real People - Real Stories" and information prepared by the Iowa Caregivers Association.

Iowa Association of Business and Industry. Mr. Joe Teeling, the representative of the Iowa Association of Health

Underwriters to the Commission, presented information from the Iowa Association of Business and Industry "National Summit on Benefit Design - Aligning Incentives to Engage the Patient and Lower Total Healthcare Costs" which he attended in Des Moines on July 25, 2007. Mr. Teeling discussed Iowa's increasing obesity problem and discussed management of chronic diseases such as diabetes.

Health Data Research Advisory Council Report. Dr. Pete Damiano, Director, Public Policy Center, and Professor, Department of Preventive and Community Dentistry, University of Iowa, and a member of the advisory council, summarized six recent healthcare surveys conducted in Iowa dealing with Iowa health insurance coverage of children, adults, and businesses, trends in coverage, the impact of coverage-related issues, and future possibilities for change.

Adoption of Guiding Principles. Co-chairpersons Hatch and Foege presented eight guiding principles which they believe have emerged from the Commission's discussions thus far. After discussion, the Commission approved a motion to adopt the following principles:

- Coverage and care should be universal or near universal.
- Coverage should be affordable and taken into account all health care costs.
- Everyone should have a medical home.
- Health care should be accessible.
- Financing should be a shared responsibility.
- Reforms should drive quality improvements and contain costs.
- Reforms should do no harm.
- Reforms must be sustainable and doable.

Working Groups — Focused Discussions. Commission facilitator Bruce Feustel, a Senior Fellow in the Legislative Management Program of the National Conference of State Legislatures (NCSL), assigned each Commission member to participate in a working group which would address one of the following topics: Providing Funding; Containing Costs and Improving Quality; and Coverage - Increasing Coverage, Enhancing Access to Care, and Promoting Wellness and Prevention. Each group then reported its conclusions to the full Commission. The Commission discussed key topics and what further consensus had been achieved.

Next Meeting and Public Hearings. The next meeting of the Commission was set for Wednesday, September 19, 2007, in Iowa City, Iowa. Co-chairpersons Hatch and Foege encouraged Commission members to attend the public hearings on health care in September and to encourage their legislators and constituents to attend and participate in the hearings.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES

July 18, 2007

Co-chairperson: Senator Jack Hatch

Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, chapter 218 (H.F. 909, §§ 99, 127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans and authorized to hold seven meetings. The second meeting of the Commission was held at William Penn University Memorial Union in Oskaloosa, Iowa.

Motions Approved. The Commission approved motions requesting that the Legislative Council approve the appointment of the Director of the Department of Elder Affairs, or the director's designee, to the Commission as an ex officio, nonvoting member, and of Mr. Christopher Atchison, University of Iowa College of Public Health, as a member of the Health Data Research Advisory Council. The Commission also approved a motion requesting that the Legislative Council approve an agreement with the National Conference of State Legislatures (NCSL) to utilize Mr. Bruce Feustel as facilitator for the Commission in consideration for reasonable and necessary expenses incurred. The Commission approved the appointment of one temporary, nonvoting alternate by each public member to serve in the event the member is unable to attend a Commission meeting.

Public Hearings on Health Care. Ms. Patty Funaro, Legislative Services Agency (LSA), reported that plans are under way to hold three public hearings on health care moderated by former Governors Tom Vilsack and Terry Branstad. Ms. Funaro said that a hearing will be held on September 4, 2007, in Council Bluffs; on September 26, 2007, in Indianola; and on September 27, 2007, in Davenport. She indicated that the format for the hearings is being discussed.

Commission Blog. Ms. Funaro reported that arrangements for a Commission blog are being finalized. She stated that each month the blog will invite comments from the public to the Commission on a specific question dealing with health care in Iowa. Comments will be screened by LSA staff before they are posted on the blog. She said that the question for

the first month will be, "What do you like or not like about Iowa's health care system or plans?" She invited members of the Commission to suggest questions for future months.

NCSL Health System Conference. Senator Joe Bolkcom presented the Iowa team report prepared by a group of Iowa legislators, staff, and agency personnel while attending a conference in New Orleans, LA, entitled "Using Limited Health Dollars Wisely: What States Can Do To Create the Health System They Want". Senator Bolkcom indicated that the Iowa team brainstormed health concerns pertinent to Iowa and identified five goals and action steps to achieve those goals. He indicated that the team would be concentrating their future efforts on creating wellness enhancements for state employees. Representative Mark Smith stated that the conference was one of the best he has attended.

NCSL Health Care Chairs Meeting. Co-chairpersons Foege and Hatch discussed the NCSL meeting they attended in Washington, D.C., for chairs of state legislative health care committees, which included a federal update and information about state Medicaid reform efforts. They met with the Iowa Congressional delegation to discuss their concerns about funding for the State Children's Health Insurance Program (SCHIP).

Health Data Research Advisory Council Report. Dr. Pete Damiano, University of Iowa College of Public Health, and a member of the council, reported on the council's proposed activities and role in assisting the council. He suggested that the council could organize its data collection and analysis activities based on coverage issues for the insured and uninsured based on populations, such as children and pre-Medicare adults aged 55-64, or from a payor perspective, such as small businesses, or government programs, such as Medicaid or SCHIP. He discussed a publication prepared by the Partnership for Prevention which ranks the most cost-effective preventive health services. He indicated that issues involving mental health, dental care, and long-term care insurance may also be pertinent to the Commission's work.

Dr. Damiano said that the College of Public Health recently completed a study concerning health care coverage of children in Iowa that shows the rate of uninsured children in the state has declined from 6 to 3 percent from 2000-2005 mainly due to SCHIP and Medicaid programs. He stated that with better outreach efforts, 99 percent of uninsured Iowa children can be enrolled under existing programs, and 99.5 percent can be enrolled if eligibility requirements are lowered.

NCSL Facilitator Mr. Feustel. Co-chairperson Foege introduced Mr. Bruce Feustel, a Senior Fellow in the Legislative Management Program of NCSL, who will act as a facilitator for all monthly meetings of the Commission. Co-chairperson Foege outlined Mr. Feustel's long-standing contacts with Iowa and extensive experience in facilitating projects with state legislatures and committees.

Facilitation Exercise 1—What's Good in Iowa About Health Care/Plans? Mr. Feustel asked Commission members to introduce themselves and to indicate what they like best about health care/plans in Iowa.

Facilitation Exercise 2—Commission Priorities. Mr. Feustel next asked Commission members to write down the top two problems they believe the Commission needs to address. After further discussion in small groups, these priorities were grouped in the following themes: wellness and prevention; health care workforce shortage; containment of health care costs; better information reporting to consumers; coverage for families, businesses, and the uninsured; universal health coverage for all Iowans; access to health care and coverage; and affordability of health care.

Facilitation Exercise 3—Analysis. Commission members were assigned to five designated small groups to discuss the following topics: Strengths; Weaknesses; Opportunities; Threats (SWOT); and Sleeping Dogs. The groups were instructed to look at pluses and minuses in Iowa and, on a larger scale, to consider "sleeping dogs"—those items that people tend to avoid discussing.

Each group then reported its conclusions to the Commission as a whole.

Exercise 4—What Do We Want? Commission members returned to their assigned small groups to list three values/principles that guide their view of what the Commission needs to do. Commission members then examined each person's choices to look for themes, areas of agreement, and tensions.

Each group recorded their conclusions and made a report to the Commission as a whole.

Exercise 5—Strategic Issues Identification. The Commission as a whole examined emerging priority themes and guiding principles and values and identified the following strategic issues for further discussion: how to contain costs and increase efficiency; what kind of resources do we have to pay toward our efforts; do we want universal coverage and what does that mean; do we want universal care and what does that mean; and how do we build on the good system that we have.

Exercise 6—Strategic Issues Working Groups. Commission members chose which issues they would like to discuss and broke into discussion groups for each issue. Each group then presented their conclusions to the Commission as a whole.

Exercise 7—Wrap-up. The Commission members described the most helpful comment they heard from another Commission member during the day. Mr. Feustel asked each member to contact one other commissioner before the next meeting to better understand each other's views.

Research Proposal. Mr. Atchison, professor and associate dean of the University of Iowa College of Public Health, introduced proposed research and budget proposals which included the following items: Data Research Advisory Council coordination; a study of charity care delivered by Iowa hospitals to be performed by Dr. Gary Rosenthal of the University of Iowa Hospitals and Clinics; stakeholder interviews to be performed by the State Public Policy Group; and a literature review and simulations to be performed by Dr. John Schneider, dependent upon the needs/requests of the Commission.

After discussion, the Commission approved a motion requesting that the Legislative Council approve the proposed research and budget proposals for the University of Iowa College of Public Health's advisory council coordination and a study of charity care, subject to necessary refinement and negotiation by LSA in consultation with the co-chairpersons and the Legislative Council, and leave for further consideration at some future time the proposals for stakeholder interviews and literature reviews and simulations.

Commission Budget. Ms. Funaro presented an estimated Commission budget, including estimated travel, meeting, and supply expenses. The Commission approved a motion requesting that the Legislative Council approve the budget proposal, subject to necessary refinement by LSA in consultation with the co-chairpersons and the Legislative Council. The LSA will post expenditures on the Commission's internet page as they are paid and will give the Commission monthly updates concerning those expenditures.

Next Meeting. The next meeting of the Commission was set for Wednesday, August 15, 2007, in Mason City, Iowa. A list of tentative dates and sites for commission meetings to be held in September, October, November, and December are on the Commission's internet page.

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LEGISLATIVE COMMISSION ON AFFORDABLE HEALTH CARE PLANS FOR SMALL BUSINESSES AND FAMILIES
June 20, 2007

Co-chairperson: Senator Jack Hatch
Co-chairperson: Representative Ro Foege

Overview. The Legislative Commission on Affordable Health Care Plans for Small Businesses and Families was created in 2007 Iowa Acts, chapter 218 (H.F. 909, sections 99, 127, and 128) to review, analyze, and make recommendations on a broad variety of issues relating to the affordability of health care for Iowans. The legislation also created a Health Care Data Research Advisory Council to assist the commission with research, analysis, and other functions. The legislation appropriates $500,000 for FY 2007-2008 to the Legislative Services Agency to support the work of the commission and council.

The commission is comprised of five state senators and five state representatives; nine public members representing various organizations as designated in the legislation and appointed by the Legislative Council; five consumers appointed by the Governor; and four nonvoting, ex officio members who are the Commissioner of Insurance, Director of the Department of Human Services, and the Director of Public Health, or their designees; and a representative of the Iowa Dental Association.

The council is comprised of nine public members representing various entities as designated in the legislation and appointed by the Legislative Council.

The commission is authorized to hold seven meetings and to conduct three public hearings.

Iowa Insurance Division (IID) of the Department of Commerce. Ms. Susan Voss, Commissioner of Insurance, gave an overview of the current landscape of health insurance in Iowa. She explained what types of entities IID does and does not regulate and estimated that the regulatory power of IID affects 25 percent of health care insurance dollars spent in Iowa. IID regulates health insurance in the individual, small employer (2-50 employees), and large employer (over 50 employees) markets.

Ms. Voss stated that in the small employer group health insurance market there are 28 carriers selling such insurance in Iowa, but that six of those carriers sell over 90 percent of the insurance. She compared small employer group health insurance premium rates in Iowa to those in other states and cautioned that in comparing rates one must consider variables such as mandates and the definition of credible coverage. She stated that there are currently 28 insurance mandates in Iowa which compose an estimated 10-15 percent of the insurance premium rate and compared this to costs of mandates in other states.

Ms. Voss explained that IID does not preapprove rates but each insurance carrier certifies that its rates meet certain statistical guidelines. Iowa contains review procedures for determinations of whether a treatment is medically necessary or is experimental. Approximately 85-86 percent of each health insurance premium dollar is spent directly on health care costs with the remainder paying for administrative costs and profits of the insurer.

As to the individual insurance market, Ms. Voss stated that it is similar to the small group market in terms of coverages and mandates.

Ms. Voss indicated that with approximately 9.1 percent of the population uninsured, Iowa is in third or fourth place among the states for the lowest number of uninsured. She stated that about 5 percent of children under 18 are uninsured in the state and about 11 percent of adult Iowans are uninsured.

Ms. Voss also discussed new legislative initiatives which were enacted in 2007 in House File 790 that include new parameters for allowing health insurance carriers to create new classes of business for associations or groups of associations and to provide incentives to employers who encourage healthy living efforts such as smoking cessation, weight loss, and chronic disease management.

Department of Human Services (DHS). Mr. Kevin Concannon, Director, DHS, provided an overview of the health care landscape in Iowa from the perspective of available public programs.

Mr. Concannon first discussed the Medicaid program. Medicaid provides health care to the following populations who also meet state income eligibility guidelines: low-income children, frail elderly, persons with disabilities, pregnant women, and very low-income parents. The program pays for, rather than provides, medically necessary health care services such as hospitalization, physician and advanced nurse practitioner services, dental care, ambulance services, and laboratory and x-ray costs.

Mr. Concannon also discussed other options that provide health care for indigent Iowans, who are not eligible for Medicaid, through the Healthy and Well Kids in Iowa Program (hawk-i), which is Iowa's S-CHIP program for children, and the IowaCare Program. IowaCare provides limited benefits through a limited provider network.

Department of Public Health (DPH). Mr. Tom Newton, Director of Public Health, explained the health care landscape in Iowa from the perspective of Iowa's public health system. He discussed public health services including direct health care services, enabling services, population-based services, and infrastructure building services. Forty-five percent of all Americans suffer from at least one chronic disease and 75 percent of health care dollars are spent on chronic disease treatment. Obesity and smoking are of particular concern in Iowa.

Iowa Collaborative Safety Net Providers. Mr. Ted Boesen, Executive Director, Iowa/Nebraska Primary Care Association, spoke about the Iowa Collaborative Safety Net Provider Network funded by the state beginning in 2005. Safety net provider members include rural health clinics, free clinics, community health centers, maternal and child health centers, local boards of health providing direct services, family planning network agencies, and child health specialty clinics located throughout the state. The network and its providers are charged with assisting patients in determining an appropriate "medical home"; overseeing initiatives for pharmacy, specialty care, and primary provider recruitments; administering awards of funding to providers; biannually collecting demographic and need data for vulnerable populations; communicating to providers, stakeholders, and policymakers; and contracting and reporting to DPH.

Rebalancing Health Care in the Heartland Forum. Dr. James Merchant, Dean, College of Public Health, University of Iowa, summarized the presentations of each of the keynote speakers who participated in the health care forum sponsored by the College of Public Health that was held on Tuesday, June 19, 2007, in Des Moines, Iowa. Dr. Merchant also summarized a forum panel discussion involving Mr. Concannon (DHS), Mr. Newton (DPH), and Ms. Voss (IID), and another panel discussion including Senator Jack Hatch, Senator James A. Seymour, Representative Ro Foege, Representative Linda Upmeyer, and Mr. John Hedgecoth of the Governor's Office. Dr. Merchant indicated that he will prepare notebooks for all commission members that include data contained on the data disk passed out with the health care forum notebook.

Committee Discussion and Adjournment. Co-chairperson Hatch asked for discussion about what the role of the Health Care Data Research Council should be in assisting the commission with its work. In response to a request from Senator Larry McKibben, Co-chairperson Hatch agreed to provide members of the commission with an estimated budget for the commission and the council before any proposed expenditures are presented to the commission for approval. Upon motions, the commission:

- Approved assigning the role of coordinator of the council to the University of Iowa College of Public Health under the direction of Dr. Merchant.
- Approved asking the council to deliver the results of a comprehensive literature review on health care and relevant subjects pertaining to Iowa and other states at the October meeting of the commission.
- Requested that the council conduct extensive interviews with major health care stakeholders on the condition of health care in Iowa and other states and suggested solutions, and deliver an accumulated narrative of the results of those interviews at the October meeting of the commission.
- Requested that the council assist in the preparation of an extensive survey of Iowans on health care issues.
- Approved authorizing the co-chairs of the commission to consult with legislative leaders in hiring a consultant to conduct a survey of Iowans to determine, at a minimum, the following: who are the uninsured, who are the underinsured, Iowans' level of satisfaction with their health insurance coverage, and the demographics of Iowans' health care.

- Authorized the co-chairs of the commission to negotiate with the appropriate consultants to facilitate future commission meetings.
- Requested that the Legislative Council appoint a representative of the Iowa Dental Association to the commission as an ex officio member.

Next Meeting. The next meeting of the commission was set for Wednesday, July 18, 2007, in Oskaloosa, Iowa. A list of tentative dates and sites for commission meetings to be held in August, September, October, November, and December are contained on the commission's internet page.

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